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Business in Nebraska

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PERSONAL INCOME: NEBRASKA AND THE PLAINS STATES

Personal income has been used to examine the state's overall economic performance and well-being. For example, in the October issue of *Business in Nebraska*, the variations and trend of Nebraska's personal income were reviewed and compared with those of the United States. That article showed that Nebraska's personal income moved nearly simultaneously with the national level, but the fluctuations were larger. This current article will review personal income for Nebraska as it compares with the surrounding states and will examine, in detail, the structure of the state's economy.

HISTORICAL COMPARISONS

To provide an historical perspective, Table 1 presents total and per capita personal income for the seven Plains states for the years 1969, 1979, and 1982. The Bureau of Economic Analysis (BEA), which prepares the personal income data, has divided the nation into eight regions. Nebraska lies in the Plains region, along with Iowa, Kansas, Minnesota, Missouri, North Dakota, and South Dakota. As the data indicate, these states vary considerably by size of income. In 1982, Nebraska's income of $16.9 billion ranked fifth in the Plains – approximately one-third as large as the largest state (Missouri) and two and one half times larger than the smallest state (South Dakota).

The absolute size of personal incomes, however, does not allow for meaningful comparisons among states. Comparisons of the relative levels of economic well-being at the state level can best be achieved by analyzing the levels of per capita personal income and rates of change in personal income.

Between 1969 and 1979 Nebraska's income grew at an annual rate of 9.9 percent, approximately equal to the 10.0 percentage increase of both the Plains and the United States. Between 1979 and 1982, however, the rate dropped to 7.8 percent, considerably lower than the national average increase of 9.8 percent and somewhat below the Plains growth of 8.3 percent.

The overall annual growth for Nebraska during the thirteen-year period from 1969 to 1982 was 9.4 percent. This rate ranked fourth in the Plains states. The range was 10.7 for North Dakota, as a result of its energy boom, and 9.1 for both Iowa and Missouri because of their relatively heavy reliance on recession-impacted manufacturing.

Another method to account for varying sizes in the economies is to focus on personal income per capita. Using this measure, Nebraska's 1982 per capita income of $10,683 ranked fifth among the Plains states and was 96 percent of the national average. For 1969, Nebraska's per capita income ranked third and was 96 percent of the national average. The state's per capita income in 1979 was (continued on page 2)

TABLE 1

Total and Per Capita Personal Income for the Plains States, 1969, 1979, 1982

	Total Personal Income						Per Capital Personal Income					
	1969 ($ millions)	1979 ($ millions)	1982 ($ millions)	Annual Percentage Change 1969-79	1979-82	1969-82	1969 ($)	1979 ($)	1982 ($)	Ratio to U.S. 1969	1979	1982
Iowa (IA)	10,068	25,704	31,347	9.8	6.8	9.1	3,586	8,812	10,791	0.97	1.02	0.97
Kansas (KS)	7,878	21,782	28,325	10.7	9.2	10.3	3,523	9,279	11,765	0.95	1.07	1.06
Minnesota (MN)	13,664	35,935	46,184	10.1	8.7	9.8	3,636	8,899	11,175	0.98	1.03	1.01
Missouri (MO)	16,063	39,921	50,346	9.5	8.0	9.1	3,462	8,165	10,170	0.93	0.94	0.92
NEBRASKA (NE)	5,248	13,506	16,939	9.9	7.8	9.4	3,560	8,633	10,683	0.96	1.00	0.96
North Dakota (ND)	1,948	5,266	7,287	10.5	11.4	10.7	3,136	8,074	10,876	0.84	0.93	0.98
South Dakota (SD)	1,957	5,154	6,675	10.2	9.0	9.9	2,930	7,480	9,666	0.79	0.86	0.87
Plains	56,816	147,267	187,104	10.0	8.3	9.6	3,507	8,614	10,789	0.94	1.00	0.97
United States	747,536	1,943,983	2,571,592	10.0	9.8	10.0	3,714	8,657	11,107	1.00	1.00	1.00

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1983.

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approximately equal to the nation's, but fourth among the states in the region.

For all three time periods (1969, 1979, and 1982), the average per capita income for the Plains region was below that of the nation. South Dakota consistently had the lowest values, but showed steady improvement. In 1969, Minnesota was the leading state but was replaced by Kansas in 1979 and 1982.

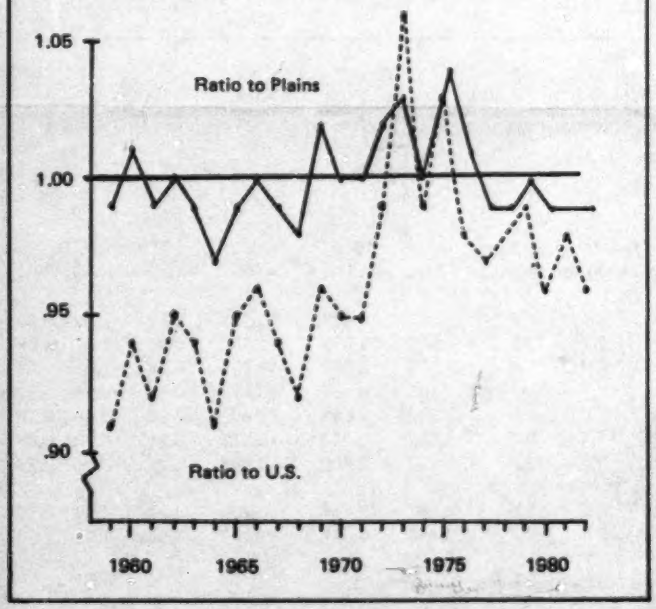
From Table 1 and the preceding discussion it appears that the overall measures of economic performance for Nebraska are quite similar to the Plains region and slightly less than those of the nation. However, only three years were compared. Figure 1 adds more years and a broader historical perspective by comparing Nebraska's per capita income to national and regional per capita incomes for all years from 1959 to 1982.

Two general observations can be made from Figure 1. First, per capita income for Nebraska typically has been between 90 and 100 percent of the national value. Second, Nebraska's value has fluctuated around 100 percent of the average for the Plains region. Also, from the chart it can be seen that the 1960s and 1970s were distinctly different periods for the state. During the 1960s, Nebraska's per capita income averaged 94 percent of the U.S. average and 99 percent of the Plains. In the 1970s these numbers rose to 99 percent of the U.S. and 101 percent of the Plains averages.

This decade gain appears to be part of a trend that began in the 1930s (the first years for which data are available). The average ratios of Nebraska per capita income to U.S. per capita income are: 1930s, 76 percent; 1940s, 91 percent; and 1950s, 94 percent. From this, it can be seen that Nebraska's economy has been growing at a faster pace than the nation's. Some of this could be explained by the broadening of the state's economic base and will be discussed in greater detail later.

FIGURE 1

Ratio of Nebraska Per Capita Personal Income to U.S. and Plains



It must be remembered that although per capita personal income allows for comparisons of economic performance among states, it does not adequately address the differences in economic well-being of the citizens of each state. For example, there will be varying rates of taxes and varying costs of living which will affect economic well-being.

In addition to per capita personal income, BEA calculates per capita disposable personal income; that is, personal income less personal tax and other nontax payments to government agencies that are convenient to treat as taxes. After these deletions are made, the state's ratio to the nation increases by one to one and one-half percentage points, and the state's ratio to the Plains region increases by about one-half percentage point. This results in a more favorable relation to the U.S., leading to an average ratio of 100 percent during the 1970s. At the same time, Nebraska's per capita disposable income rose to levels nearly two percent greater than the region as a whole. Although costs of living for Nebraska are not known, if they were less for the state than for the nation, Nebraska's relative positions would improve further.

COMPOSITION OF PERSONAL INCOME

Personal income is the current income received by all persons from all sources. It consists of net earnings (labor and proprietors' income) by place of residence; dividends, interest, and rent; and transfer payments. Table 2 presents personal income and its major components for 1982. The current dollar values for each sector are listed in column 1, while column 2 contains those amounts expressed as percentages of Nebraska's total personal income. These percentages are then divided by the comparable percentages for the nation and for the Plains region, and the results are shown in columns 3 and 4. (A value greater than one indicates that the sector is relatively larger for Nebraska than for the U.S. or region, and vice versa for a value less than one.) The final two columns in the table allow for direct comparison with other states in the Plains region by indicating the values of the states with the largest and the smallest relative shares.

For example, the $10,799 million in earnings in Nebraska was the largest sector and represented 63.8 percent of the total income. However, the U.S. and the region both receive a larger share of their incomes in this form, as evidenced by respective ratios of .956 and .979. It can be seen that Minnesota led the region with 68.5 percent of its income resulting from earnings, and South Dakota trailed with 60.6 percent. Nebraska, therefore, fell somewhere near the middle of this range. Table 2 shows, that of the two remaining components of income, Nebraska receives relatively more income from dividends, interest, and rent; but receives relatively less from transfer payments (a reflection of lower unemployment rates).

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TABLE 2
1982 Personal Income Sources

	Nebraska ($ million)	Percentage of Income	Ratio to U.S.*	Ratio to Plains*	Highest State**	Lowest State**
Total personal income by place of residence	16,939					
Net earnings by place of residence	10,799	63.8	.956	.979	68.5 (MN)	60.0 (SD)
Dividends, interest, and rent	3,914	23.1	1.232	1.104	24.6 (SD)	18.5 (MN)
Transfer payments	2,225	13.1	.902	.942	15.5 (MO)	12.8 (ND)

TABLE 3
1982 Personal Earnings Sources

	Nebraska ($ million)	Percentage of Earnings	Ratio to U.S.*	Ratio to Plains*	Highest State**	Lowest State**
Total Personal Earnings by Place of Work	11,769					
by Type						
Wage and salary disbursements	9,414	80.0	.936	.983	85.6 (MO)	71.7 (SD)
Other Labor income	882	7.5	.875	.915	8.7 (MO)	6.0 (ND)
Farm proprietors' income	723	6.1	5.321	1.456	14.4 (SD)	0.8 (MO)
Nonfarm proprietors' income	750	6.4	1.331	1.031	9.9 (ND)	4.8 (MN)
by Industry						
Farm	963	8.2	4.465	1.529	16.7 (SD)	1.3 (MO)
Ag services, forestry, and fisheries	44	0.4	0.914	1.143	0.4 (SD)	0.3 (MO)
Mining	49	0.4	0.204	0.349	5.8 (ND)	0.2 (IA)
Construction	569	4.8	0.917	0.938	8.2 (ND)	4.4 (SD)
Manufacturing	1,824	15.5	0.636	0.690	25.3 (MN)	5.8 (ND)
Nondurable goods	904	7.7	0.853	0.848	10.2 (MO)	3.1 (ND)
Food and kindred products	561	4.8	2.489	1.363	5.3 (IA)	1.8 (ND)
Printing and publishing	131	1.1	0.785	0.648	2.1 (MN)	0.7 (ND)
Durable goods	924	7.9	0.509	0.584	15.4 (IA)	2.7 (ND)
Fabricated metal products	140	1.2	0.640	0.673	2.6 (MN)	0.3 (ND)
Machinery, except electrical	257	2.2	0.671	0.548	7.1 (IA)	1.4 (ND)
Electric and electronic equipment	180	1.5	0.589	0.812	2.8 (MO)	0.1 (ND)
Transportation and public utilities	1,275	10.8	1.369	1.199	10.8 (NE)	7.2 (IA)
Railroad transportation	438	3.7	5.173	2.445	3.7 (NE)	0.7 (SD)
Trucking and warehousing	287	2.4	1.463	1.066	2.6 (SD)	1.8 (IA)
Communication	349	3.0	1.226	1.352	3.0 (NE)	1.7 (IA)
Electric, gas and sanitary services	127	1.1	0.725	0.660	3.6 (ND)	1.1 (NE)
Wholesale Trade	996	8.5	1.229	1.040	9.2 (ND)	7.4 (SD)
Retail Trade	1,138	9.7	1.028	1.001	10.2 (SD)	9.2 (KS)
Finance, insurance and real estate	815	6.9	1.124	1.189	6.9 (NE)	4.6 (ND)
Banking	201	1.7	0.993	1.066	2.0 (SD)	1.5 (KS)
Other finance, insurance, and real estate	614	5.2	1.175	1.236	5.2 (NE)	3.1 (ND)
Services	1,883	16.0	0.855	0.939	18.5 (MO)	15.7 (KS)
Business services	240	2.0	0.637	0.927	2.6 (MO)	1.2 (ND)
Health services	768	6.5	1.013	0.932	8.2 (ND)	6.5 (NE)
Legal services	117	1.0	0.780	0.971	1.2 (IA)	0.8 (SD)
Government	2,211	18.8	1.109	1.191	19.8 (SD)	14.9 (MN)
Federal, civilian	359	3.1	0.788	0.992	5.0 (SD)	2.1 (IA)
Federal, military	292	2.5	1.407	2.026	3.9 (ND)	0.2 (IA)
State and local	1,560	13.3	1.173	1.156	13.3 (NE)	9.7 (MO)

* Ratios are calculated by dividing the Nebraska percentages by the appropriate U.S. or Plains percentage. A value less than 1 shows a relative underrepresentation, and a value greater than 1 shows a relative overrepresentation.

** These columns show the states in the Plains Region which have the highest and lowest percentages from the appropriate income source.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, August 1983.

Review and Outlook

Net physical output of the Nebraska economy increased 1.9 percent from the previous month in August 1983. The increase was broad-based with all sectors recording gains with the exception of the government component.

The agriculture sector recorded a 0.7 percent increase on a month-to-month basis. August cash farm marketings totaled $474 million. Prices received for agriculture commodities were up 1.6 percent in Nebraska, 5.8 percent nationally.

Recovery continues in the state's construction industry. Output from the construction sector recorded a 3.6 percent increase in August. The August increase marks the sixth consecutive monthly gain for construction. The Bureau of Business Research's index for the construction industry is now above levels recorded two years ago.

Output from Nebraska's manufacturing sector recorded a sharp 4.8 percent increase on a month-to-month basis. The index now stands at 138.0 (1967 = 100). It is above one year ago levels, but still remains well below August 1981 levels (158.2).

The state's manufacturing sector has made a partial recovery although output remains below peak levels reached prior to the recession. The index has improved month by month, with one exception, after reaching a bottom in February 1983 at 120.9.

The economic expansion is expected to continue through 1984, which will undoubtedly

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Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

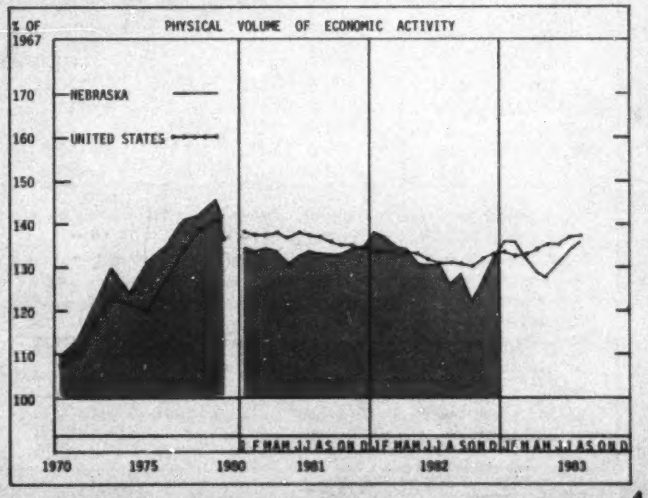
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

August 1983	Current Month as Percent of Same Month Previous Year		1983 Year to Date as Percent of 1982 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	111.2	106.8	103.0	104.7
Agricultural	104.8	104.3	96.3	100.2
Nonagricultural	112.1	106.9	104.1	104.8
Construction	138.9	119.2	113.3	111.7
Manufacturing	105.3	105.2	92.7	96.9
Distributive	113.5	106.5	106.0	107.1
Government	108.3	107.9	108.1	107.0
Physical Volume	108.0	103.8	99.8	101.4
Agricultural	104.8	99.8	97.6	101.0
Nonagricultural	108.5	103.9	100.2	101.4
Construction	138.0	118.5	112.8	111.2
Manufacturing	104.1	104.0	91.7	96.1
Distributive	110.6	103.8	102.7	103.8
Government	100.8	100.3	99.7	99.5

2. CHANGE FROM 1967

	Percent of 1967 Average	
Indicator	Nebraska	U.S.
Dollar Volume	384.7	389.7
Agricultural	331.9	348.1
Nonagricultural	392.5	391.1
Construction	285.9	367.6
Manufacturing	335.4	302.8
Distributive	421.5	438.9
Government	408.1	405.7
Physical Volume	136.3	137.3
Agricultural	132.7	136.5
Nonagricultural	136.7	137.3
Construction	87.2	112.1
Manufacturing	138.0	121.6
Distributive	140.4	146.2
Government	145.7	146.4

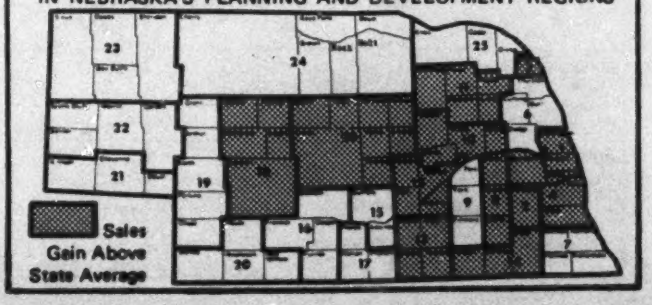


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES

Region Number* and City	City Sales* Aug. 1983 as percent of Aug. 1982	Sales in Region* Aug. 1983 as percent of Aug. 1982	Sales in Region* year-to-date 83 as percent of year-to-date 82
The State	95.2	98.9	101.3
1 Omaha	98.4	103.7	104.8
Bellevue	85.1		
Blair	92.5		
2 Lincoln	98.8	101.8	105.2
3 So. Sioux City	112.4	112.6	105.5
4 Nebraska City	76.6	97.2	102.3
6 Fremont	96.9	99.8	101.7
West Point	104.1		
7 Falls City	80.0	98.6	100.7
8 Seward	91.1	96.9	102.5
9 York	85.0	91.9	99.9
10 Columbus	90.0	96.3	102.9
11 Norfolk	92.9	96.5	103.5
Wayne	86.6		
12 Grand Island	88.8	95.5	102.6
13 Hastings	88.2	96.3	102.6
14 Beatrice	78.6	86.0	103.0
Fairbury	88.8		
15 Kearney	86.3	89.8	100.2
16 Lexington	99.1	95.3	99.9
17 Holdrege	84.3	93.5	96.9
18 North Platte	90.5	94.0	103.3
19 Ogallala	92.3	97.7	98.7
20 McCook	91.7	94.3	100.6
21 Sidney	98.6	99.8	94.8
Kimball	92.3		
22 Scottsbluff/Gering	93.7	101.2	93.9
23 Alliance	92.6	97.4	100.6
Chadron	93.4		
24 O'Neill	103.8	99.7	97.2
25 Hartington	100.8	92.1	100.0
26 Broken Bow	104.1	102.4	102.1

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Regional totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1983 YEAR TO DATE AS PERCENT OF 1982 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



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benefit Nebraska's manufacturing sector. It remains an unanswered question at this point whether or not Nebraska's manufacturing sector will equal or exceed output levels during this recovery phase of the cycle equal to those attained in 1980 and 1981.

Output from Nebraska's distributive trade sector increased 1.7 percent in August 1983. This industry continues to expand and is above one and two years previous levels.

The government component of the index declined 0.2 percent on a month-to-month basis. This sector of the Nebraska economy changes very little and slowly.

Sidney and Broken Bow recorded the sharpest increases among 26 city business indexes calculated by the Bureau of Business Research. The index at Sidney was up 8.3 percent from one year ago while the index at Broken Bow was up 7.8 percent over the same period. Construction activity at Sidney, including a new plant, was important in moving Sidney to the top of the list of indexes compiled by the Bureau of Business Research. South Sioux City recorded an increase of 3.4 percent and Chadron 3.0 percent.

Total retail sales declined 1.1 percent in August 1983 compared with August 1982. When sales are adjusted for price changes, the decline in real retail sales was 3.7 percent. The commodity component of the Consumer Price Index used to make this adjustment increased 2.6 percent over the same interval.

Motor vehicle sales continue strong in Nebraska. On a price unadjusted basis, motor vehicle sales were up 34.1 percent in August 1983 compared with the same period one year ago. When adjusted for price changes, the increase is a healthy 30.7 percent. The gain in automobile sales reflects a national trend of consumers purchasing durables. Automobiles and housing typically lead other industries when recovery begins and this recovery is no exception to that pattern.

Nonmotor vehicle sales were down 4.8 percent in August 1983. Adjusted for price changes, nonmotor vehicle sales were down 7.2 percent.

Communities with strong retail sales include South Sioux City, up 12.4 percent; Broken Bow, 4.1 percent; West Point, 4.1 percent; and O'Neill, 3.8 percent.

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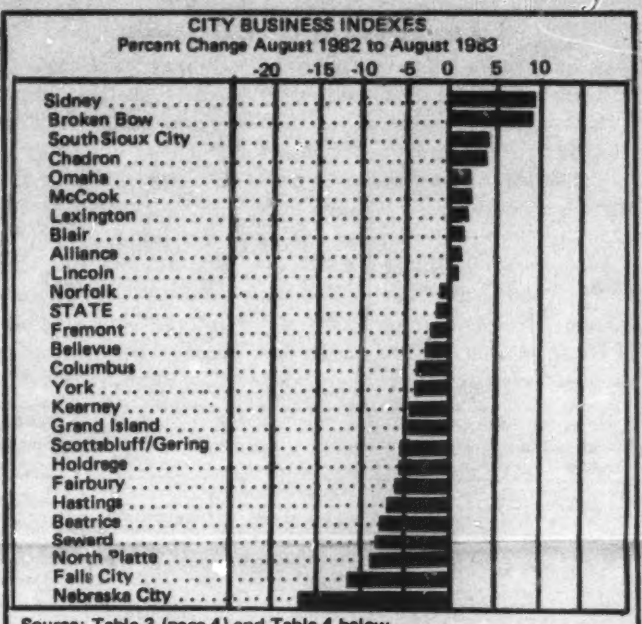

Source: Table 3 (page 4) and Table 4 below.

4. CITY BUSINESS INDICATORS — August 1983

The State and Its Trading Centers	Percent of Same Month a Year Ago: Employment[1]	Building Activity[2]	Power Consumption[3]
The State	102.0	134.9	109.9
Alliance	102.5	223.8	117.4
Beatrice	101.9	157.5	93.5
Bellevue	103.6	215.8	111.9
Blair	103.4	217.7	106.8
Broken Bow	101.4	382.2	103.8
Chadron	99.6	439.0	121.2
Columbus	103.5	102.7	103.5
Fairbury	101.0	100.9	118.6
Falls City	99.5	78.8	101.8
Fremont	103.7	84.3	146.7*
Grand Island	104.0	86.9	104.2
Hastings	97.9	112.6	109.3
Holdrege	106.1	101.3	141.8
Kearney	105.1	99.0	109.3
Lexington	105.0	114.2	98.2
Lincoln	100.1	146.3	108.3
McCook	110.9	134.1	92.8
Nebraska City	101.4	31.1	118.7
Norfolk	101.4	191.7	123.1
North Platte	91.9	115.2	87.3
Omaha	103.4	146.1	109.1
Scottsbluff/Gering	101.7	65.5	128.3
Seward	100.9	55.3	117.7
Sidney	104.0	550.7	126.8
So. Sioux City	99.8	86.1	113.0
York	103.7	154.8	97.2

[1] As a proxy for city employment, total employment for the county in which a city is located is used.

[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

5. PRICE INDEXES

August 1983	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	300.3	102.6	103.2
Commodity component	273.4	102.6	103.0
Wholesale Prices	304.9	101.6	101.0
Agricultural Prices			
United States	255.0	104.5	99.2
Nebraska	250.0	100.0	98.7

*Using arithmetic average of monthly indexes.

Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

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COMPOSITION OF PERSONAL EARNINGS

Table 2 shows the major components of personal income but does not give a detailed picture of the state's economy. As indicated in this table, the largest component of income is personal earnings – income that is earned or produced by labor and proprietors during a given year. Because it measures production, earnings data are available in considerable detail by industrial sector. Table 3 presents earnings by type and by industry in 1982 and is in the same format as Table 2. It should be noted that the total earnings figure in Table 3 is different than the one in Table 2 because it includes employer social security contributions and has not been adjusted to account for the fact that some people live in one state but work in another.

The type of earnings compares classes of income earners. Most of the state's earnings (80.0 percent) are in the form of wages and salaries, but that percentage is below the averages for both the nation and the region. On the other hand, both farm and nonfarm proprietors' incomes are relatively more important in Nebraska, reflecting a heavier reliance on agriculture and a relatively larger number of small businesses.

The remainder of Table 3 contains earnings data by the industry in which they were produced. It must be remembered that these figures measure direct production only, and are not meant to reflect total impacts of the individual sectors. Data are presented for each of the eleven major industrial groups and for each subgroup that accounts for 1.0 percent or more of total earnings.

In 1982, the farm sector accounted for 8.2 percent of the state's earnings. It is not surprising that this percentage is 4.5 times larger than the nation's, but the fact that it is 1.5 times larger than the Plains region shows that Nebraska relies more on agriculture than some of its neighboring states.

The next three sectors (agricultural services, forestry, and fisheries; mining; and construction) are relatively small and all are less significant in Nebraska than at the national level. Their respective percentages of earnings are 0.4 percent, 0.4 percent, and 4.8 percent. Of the sectors in Table 3, mining has the lowest ratio to the U.S. (0.2) and to the Plains (0.3).

Manufacturing provides 15.5 percent of the state's earnings, with an almost equal distribution between durable and nondurable goods. The major subsector is food processing, accounting for 4.8 percent of total earnings. This 4.8 percent in food processing is 2.5 times as large as that for the U.S. and 1.4 times as large as the Plains' percentage. Nebraska does not lead the Plains in any of the listed manufacturing categories and, for the most part, falls well below the national rates.

The 10.8 percent of earnings originating from transportation and public utilities (TCU) leads the region. Within the TCU sector, Nebraska leads the region in railroad transportation and communication, but lags the region in electric, gas, and sanitary services. The relatively low percentage in the latter area is due to the fact that all electricity in Nebraska is provided publicly and, therefore, falls under state and local government. The importance of railroad transportation to Nebraska is underscored by the fact that its percentage is 5 times as large when compared to the U.S. and 2.5 times as large when compared to the region.

The two trade sectors account for a total of 18.2 percent of the state's earnings. Individually they rank above both the U.S. and the Plains.

Nebraska leads the Plains region in finance, insurance, and real estate (FIRE) with 6.9 percent of earnings coming from this sector. The probable reason for this is because Nebraska is the national or regional office of several major insurance companies. Table 3 shows that Nebraska's 6.9 percent is slightly higher than that of the nation.

Services is the state's second largest sector, accounting for 16.0 percent of earnings. Overall, this sector falls below both national and regional values. Health services is the most significant component in this sector. In fact, its 6.5 percent is only slightly less than the value for the entire FIRE sector. Compared to the other states in the region, however, health services in Nebraska represent the smallest source of earnings.

The state's biggest sector, with 18.8 percent of its earnings, is government. The major reason for this is the region-leading state and local government component, but it must be remembered that this value is overstated because of the inclusion of electric utilities. Another interesting facet of government earnings in Nebraska is the relative size of the military subsector (Offutt Air Base), which is 1.4 times as large as the nation and twice as large as the region.

J.A.D.

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ELEMENTARY AND SECONDARY EDUCATION FINANCING

Spending for elementary and secondary education in Nebraska was $684 million in 1981/82. Local taxes accounted for $478 million (70.0 percent), state aid $16 million (24.0 percent), and federal aid $44 million (6.0 percent) (Table 1). State aid to education is an important and controversial funding component of elementary and secondary education in Nebraska. In 1981/82, approximately $3 out of $10 for elementary and secondary education came from state aid. Slightly less than $7 out of $10 was raised by property taxes, with the balance coming from federal sources.

The current discussion about the quality of elementary and secondary education has led to requests for additional state aid. State aid has increased from $106 per student in 1971/72 to $595 per student in 1981/82, an increase of 461 percent. Unless otherwise noted, education in this article refers to elementary and secondary education.

This article reviews the major funding sources of elementary and secondary education in Nebraska—local property taxes, state aid, and federal funds. The formula for distribution of state aid is complex and controversial, and is beyond the scope of this article. Funding data are taken from the Nebraska Department of Education's *Financial Report of Public School Districts, 1981/82* and *Annual Report, 1971/72.*

FUNDING SOURCES

State Aid

State aid to education amounted to $161,279,000 in 1981/82. Per pupil, aid averaged $595. Banner County received $187,000 in state aid for 182 students, an average of $1,027 per student—the highest of Nebraska's 93 counties. Brown County received $356,000 for 891 students, an average of $400 per student—the least among Nebraska's 93 counties.

Counties with above average state aid per student include Blaine, $925 per student; and Keya Paha, an average of $936 per student. McPherson and Sarpy counties received $854 and $870, respectively, per student. Cherry received $777 per student. Sioux County received $751 in state aid per student. Other counties receiving $700 or more per pupil in state aid included Boyd, Cheyenne, Douglas, Logan, Loup, Thomas, and Thurston (Table 1).

Several counties received between $650 and $699 per pupil. They are Arthur, Dakota, Deuel, Dundy, Fillmore, Garden, and Washington. Six additional counties, Cass, Chase, Greeley, Hooker, Scotts Bluff, and Sherman, received slightly more than the state average (Table 1).

At the other extreme are a group of counties receiving approximately three-fourths of the state average per pupil aid. Included in this are Boone, Brown, Butler, Colfax, Cuming, Hamilton, Kearney, Morrill, Nance, Stanton, Thayer, and Valley counties. As noted before, Brown County had the lowest average per pupil state aid to education of $400 per student. More counties were below the average than were above because Douglas County was above average in aid per pupil and, of course, is the most populous county in Nebraska. Douglas County received $47,706,000 in state aid for 68,187 students, an average of $700 per student in state aid. It is of interest to note that Doulgas County received 29.6 percent of all state tax dollars returned to the counties for elementary and secondary education. Sarpy County received $870 per pupil, well above the state average of $595, while Lancaster received $540 per pupil, $55 less than average.

It is difficult to generalize on the geographic distribution of 1981/82 state education aid in Nebraska. More money is budgeted per student in the smaller, more sparsely populated counties. For instance, Banner, Blaine, Keya Paha, Loup, McPherson, Sioux, and Thomas counties are all counties with populations of fewer than 2,000 persons. They received $200 per student more in state aid than the average Nebraska pupil. There are important exceptions to this generalization, however. Valley, Stanton, Thayer, and Brown are also sparsely populated but they receive less than the average of $595 per pupil in state aid, so the issue is far from consistent.

Counties most and least dependent upon state aid to education are summarized in Table 2. Sarpy County received more state aid relative to its budget than any Nebraska county. Dakota, Douglas, Scotts Bluff, and Washington counties also were receiving a higher proportion of state aid to total spending than the statewide average.

Counties receiving less than 20.0 percent of spending from aid (Nebraska average, 24.9 percent) are listed in Table 2. Aid amounted to 13.7 percent of budgeted education spending in Thayer County, the lowest in the state. Perkins received 14.0 percent of education funding from state aid.

Local Taxes

At the local level, Nebraskans levied $478 million, or $1,765 per pupil, in local taxes for elementary and secondary education in 1981/82. Banner County raised the most per pupil at $4,126, Sarpy the least at $827.

Data in Table 3 summarizes the top ten and the bottom ten counties in terms of local taxes per pupil. Banner led all counties with $4,126 in local taxes per student. Counties with the highest levies per student were generally sparsely populated counties in western Nebraska.

Sarpy County levied $827 per pupil in local property taxes, the least among all Nebraska counties. Sarpy's $827 in local taxes per student was more than $400 less than Dakota County's $1,224 per student, which ranked next to last among Nebraska's counties. Other

(continued on page 3)

TABLE 1
Elementary and Secondary Education Funding

1981/82 School Year

County	Taxes			Local Taxes (Per Student)	1981/82 State Aid (Per Student)	1971/72 State Aid (Per Student)
	Local	State	Federal			
	(Thousands of Dollars)					
Adams	8,200	2,452	308	1,802	539	112
Antelope	2,779	821	143	2,057	460	80
Arthur	361	68	.67	3,539	667	74
Banner	751	187	30	4,126	1,027	63
Blaine	716	222	22	2,996	925	97
Boone	2,804	558	233	2,154	428	76
Box Butte	3,818	1,131	412	1,518	450	108
Boyd	1,258	421	98	2,107	705	130
Brown	1,575	356	129	1,768	400	88
Buffalo	10,113	2,889	624	1,669	481	102
Burt	3,615	833	239	2,142	493	80
Butler	2,801	533	110	2,235	425	56
Cass	5,871	2,105	615	1,728	620	96
Cedar	3,825	933	538	2,103	513	106
Chase	2,620	626	220	2,512	600	78
Cherry	2,492	820	169	2,362	777	66
Cheyenne	4,406	1,320	197	2,390	716	98
Clay	4,256	809	158	2,490	473	91
Colfax	3,735	821	109	1,910	420	68
Cuming	3,327	779	260	1,867	437	53
Custer	5,259	1,274	295	2,079	503	85
Dakota	3,694	2,028	404	1,224	672	122
Dawes	2,424	719	220	1,676	497	100
Dawson	7,915	2,129	418	1,706	459	81
Deuel	1,152	314	39	2,441	665	63
Dixon	2,576	849	178	1,774	585	110
Dodge	10,719	3,864	656	1,648	594	105
Douglas	113,159	47,706	11,163	1,660	700	116
Dundy	935	276	68	2,328	686	113
Fillmore	4,072	965	230	2,872	680	75
Franklin	1,824	332	66	2,651	482	75
Frontier	2,275	362	50	3,350	533	97
Furnas	3,652	618	118	2,854	483	98
Gage	6,801	1,825	416	1,966	527	109
Garden	1,410	302	25	3,119	668	70
Garfield	886	234	63	2,014	532	82
Gosper	562	110	9	2,498	489	80
Grant	738	134	11	3,265	593	70
Greeley	1,740	411	195	2,620	619	105
Hall	12,764	4,900	974	1,368	525	111
Hamilton	4,136	757	199	2,237	409	81
Harlan	1,537	290	341	2,459	464	97
Hayes	640	117	33	3,536	646	85
Hitchcock	2,107	457	123	2,738	593	112
Holt	4,493	1,258	369	1,897	531	88
Hooker	691	157	14	2,798	636	71
Howard	3,002	825	290	1,787	491	110
Jefferson	4,857	927	241	2,458	469	60
Johnson	2,189	458	105	2,280	477	105
Kearney	3,561	608	137	2,564	438	76
Keith	4,062	874	103	2,477	533	82
Keya Paha	581	204	25	2,665	936	82
Kimball	2,631	522	106	2,698	535	105
Knox	3,859	1,265	1,036	1,767	579	112
Lancaster	50,622	15,400	4,818	1,774	540	116
Lincoln	9,322	3,448	733	1,442	533	112
Logan	527	176	22	2,205	736	129
Loup	451	117	25	2,700	700	73
Madison	7,433	2,454	493	1,377	454	96
McPherson	333	82	.22	3,489	854	64
Merrick	3,671	884	222	2,061	496	98
Morrill	2,222	489	388	1,932	425	95
Nance	1,701	380	97	2,006	448	89
Nemaha	2,471	640	141	1,859	481	104
Nuckolls	2,457	616	78	2,114	530	85

Table 1 (continued)

Elementary and Secondary Education Funding

1981/82 School Year

County	Taxes: Local	Taxes: State (Thousands of Dollars)	Taxes: Federal	Local Taxes (Per Student)	1981/82 State Aid Per Student)	1971/72 State Aid (Per Student)
Otoe	5,152	1,318	299	1,865	477	94
Pawnee	1,587	339	142	2,379	508	82
Perkins	2,231	364	34	3,519	574	87
Phelps	3,936	911	109	2,152	498	90
Pierce	2,535	718	198	1,958	554	105
Platte	6,917	2,024	260	1,710	500	99
Polk	2,724	595	64	2,299	502	78
Red Willow	4,642	1,083	215	2,040	476	106
Richardson	3,537	854	304	2,003	483	92
Rock	978	267	56	1,859	508	70
Saline	4,743	1,251	216	1,953	515	98
Sarpy	13,657	14,340	7,154	829	870	152
Saunders	5,756	10,606	289	1,922	536	93
Scotts Bluff	10,304	4,955	1,079	1,350	649	111
Seward	5,510	1,229	228	2,288	510	94
Sheridan	2,650	857	170	1,784	577	85
Sherman	1,650	461	207	2,146	599	104
Sioux	678	139	15	3,670	751	94
Stanton	1,200	262	126	1,966	429	51
Thayer	3,425	552	139	2,752	443	79
Thomas	432	113	15	2,734	715	58
Thurston	2,038	1,041	1,718	1,430	730	108
Valley	1,905	389	194	2,112	431	86
Washington	4,649	1,986	415	1,533	655	109
Wayne	3,075	781	200	1,854	471	92
Webster	2,073	470	92	2,291	519	107
Wheeler	742	129	35	3,109	540	101
York	6,099	1,196	195	2,608	511	90
Nebraska	478,180	161,279	44,543	1,765	595	106

TABLE 2
Counties Most and Least Dependent Upon State Aid for Education

Most: Over 28% of Total		Least: Less than 20% of Total			
Dakota	35.4	Antelope	18.3	Jefferson	16.0
Douglas	29.6	Arthur	15.8	Johnson	17.3
Sarpy	42.2	Banner	19.9	Kearney	14.5
Scotts Bluff	32.5	Boone	16.6	Keith	17.7
Washington	29.9	Brown	18.4	Kimball	16.6
		Burt	18.7	McPherson	19.8
		Butler	16.0	Merrick	19.4
		Cedar	19.6	Morrill	18.0
		Chase	19.3	Nance	18.2
		Clay	15.9	Pawnee	17.6
		Colfax	18.0	Perkins	14.0
		Cuming	19.0	Phelps	18.8
		Custer	19.5	Polk	17.9
		Fillmore	19.9	Red Willow	18.9
		Franklin	15.4	Richardson	19.4
		Frontier	13.7	Seward	18.2
		Furnas	14.5	Sioux	17.0
		Garden	17.6	Stanton	17.9
		Gosper	16.4	Thayer	13.9
		Grant	15.4	Valley	17.0
		Hamilton	15.5	Webster	18.5
		Harlan	14.1	Wheeler	14.8
		Hayes	15.4	York	16.4
		Hitchcock	17.8		
		Hooker	18.5		
				Nebraska	24.9

TABLE 3
Local Taxes for Education per Student (In Dollars)

Highest 10		Lowest 10	
Arthur	3,539	Box Butte	1,518
Banner	4,126	Dakota	1,224
Blaine	2,996	Hall	1,367
Frontier	3,350	Lincoln	1,442
Grant	3,265	Madison	1,377
Hayes	3,536	Platte	1,710
McPherson	3,469	Sarpy	827
Perkins	3,519	Scotts Bluff	1,350
Sioux	3,670	Thurston	1,430
Wheeler	3,109	Washington	1,533

(continued from page 1)

counties with low local taxes included Hall, Lincoln, Madison, Platte, Scotts Bluff, Thurston, Washington, and Box Butte.

Counties most and least dependent upon local taxes are summarized in Table 4. Statewide, local taxes averaged 73.8 percent of education budgets. Counties where local support amounted to 83.0 percent or more are summarized in Table 4. Frontier County relied upon local taxes for 86.2 percent of education funding, the highest. Local taxes in Thayer County amounted to 86.1 percent of education support, 86.0 percent in Perkins.

Counties substantially below the state average of 73.8 percent included Sarpy, 40.3 percent; Thurston, 49.0 percent; Dakota, 64.5 percent; Scotts Bluff, 67.5 percent; and Knox, 68.9 percent. State aid to Sarpy County exceeded locally raised funds.

(continued on page 6)

Review and Outlook

Nebraska's net physical volume increased 2.1 percent August-September, another indication that economic recovery is still in force in Nebraska. All sectors, with the exception of construction, recorded increases on a month-to-month basis.

The agriculture component of the Bureau of Business Research's net physical volume index increased 11.6 percent August-September. Cash farm marketings were $506 million. Prices received for agriculture products were 0.8 percent on a month-to-month basis and now stand 3.3 percent above one year ago. Nebraska producers were better off than nationwide, where prices declined 2.4 percent on a month-to-month basis, unchanged from a year ago.

Nebraska's manufacturing industry recorded a 2.1 percent gain on a month-to-month basis. The index has recorded monthly gains for four consecutive months after reaching a bottom in the spring of 1983. The index now stands at 141.0 (1967 = 100). A year ago it stood at 132.7 and two years ago the index was at 160.4. Output from Nebraska's manufacturing sector has made some recovery from its recession lows, but remains substantially below peak levels reached in 1981.

The distributive trade sector of the Nebraska economy recorded a 0.4 percent increase on a month-to-month basis. The index stands at 140.3 (1967 = 100). This compares with a reading of 134.1 one

(continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes--see Table 5, page 5.

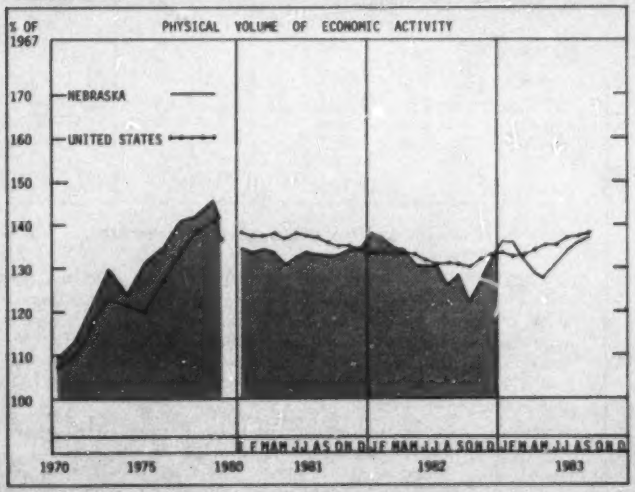
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

September, 1983	Current Month as Percent of Same Month Previous Year		1983 Year to Date as Percent of 1982 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	111.6	107.7	103.9	105.0
Agricultural	138.7	99.0	99.8	100.0
Nonagricultural	108.6	107.9	104.6	105.2
Construction	136.7	119.8	115.8	112.6
Manufacturing	108.1	108.4	94.4	98.1
Distributive	107.7	107.2	106.2	107.2
Government	107.3	106.7	108.0	106.9
Physical Volume	108.4	104.5	100.7	101.7
Agricultural	134.3	99.0	100.7	100.8
Nonagricultural	105.1	104.7	100.7	101.7
Construction	135.1	118.3	115.3	112.0
Manufacturing	106.2	106.8	93.2	97.2
Distributive	104.6	104.2	102.9	103.8
Government	100.2	99.2	99.8	99.4

2. CHANGE FROM 1967

	Percent of 1967 Average	
Indicator	Nebraska	U.S.
Dollar Volume	392.9	391.7
Agricultural	373.3	326.4
Nonagricultural	395.6	393.8
Construction	280.2	368.0
Manufacturing	344.5	303.3
Distributive	423.3	444.4
Government	412.5	403.3
Physical Volume	138.8	137.6
Agricultural	148.2	131.1
Nonagricultural	137.3	137.8
Construction	85.4	112.2
Manufacturing	141.0	121.7
Distributive	140.3	147.3
Government	146.6	145.7

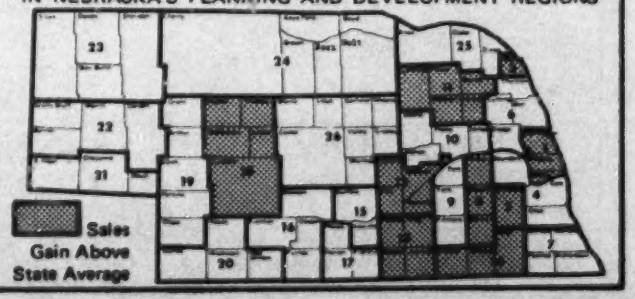


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES

Region Number and City	City Sales* Sept. 1983 as percent of Sept. 1982	Sales in Region* Sept. 1983 as percent of Sept. 1982	Sales in Region* Year-to-date '83 as percent of Year-to-date '82
The State	105.1	106.4	101.9
1 Omaha	111.2	112.4	105.6
Bellevue	109.5		
Blair	92.5		
2 Lincoln	113.4	115.2	106.3
3 So. Sioux City	94.3	100.0	104.8
4 Nebraska City	107.2	100.2	102.2
6 Fremont	101.8	98.2	101.3
West Point	89.6		
7 Falls City	109.8	105.5	101.2
8 Seward	102.4	105.8	102.9
9 York	110.9	102.4	100.2
10 Columbus	97.5	98.3	102.3
11 Norfolk	104.9	103.2	103.5
Wayne	89.6		
12 Grand Island	107.6	106.6	103.1
13 Hastings	109.5	105.6	102.9
14 Beatrice	108.9	102.4	103.0
Fairbury	103.1		
15 Kearney	104.2	100.9	100.3
16 Lexington	100.8	97.9	99.6
17 Holdrege	83.9	88.9	95.9
18 North Platte	99.1	99.1	102.8
19 Ogallala	102.9	102.6	99.2
20 McCook	98.0	96.6	100.1
21 Sidney	96.9	98.1	95.2
Kimball	95.5		
22 Scottsbluff/Gering	107.8	105.7	99.7
23 Alliance	109.8	104.9	101.1
Chadron	102.5		
24 O'Neill	96.6	98.2	97.3
25 Hartington	84.2	93.3	99.2
26 Broken Bow	93.0	99.1	101.7

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Regional totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1983 YEAR TO DATE AS PERCENT OF 1982 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



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year ago, 130.2 two years ago. The distributive trade industry has managed small gains for over a year.

The construction component of the net physical volume index declined 2.0 percent August-September. The construction industry has been adversely affected by rising interest rates. Despite the monthly decline, the index is above its year previous level. The index in September was 85.4 (1967 = 100). This compares with a reading of 63.2 one year ago, and 72.8 two years ago.

Retail sales indicate an improving economy statewide. September 1983 sales were 6.4 percent above one year ago. When adjusted for price changes, retail sales were up 3.3 percent. The commodity component of the consumer price index has increased 3.0 percent September 1982 - September 1983.

Motor vehicle sales once again were stronger than nonmotor vehicle sales. Motor vehicle sales were $85 million in September 1983, up from $71 million in September 1982, for a gain of 19.8 percent on a dollar volume basis. When adjusted for price changes, motor vehicle sales were up 16.4 percent.

Nonmotor vehicle sales totaled $743 million in September, up from $707 million one year ago, an increase of 5.1 percent. When adjusted for price changes, nonmotor vehicle sales were up 2.0 percent.

The recovery is visible in several Nebraska centers. Bellevue led all communities with a 9.1 percent increase in its city business index. This was followed by Omaha's 7.1 percent increase and Norfolk's 6.6 percent increase. York and Sidney recorded 6.3 percent increases in their respective city business indexes for solid gains. Chadron and Beatrice recorded gains of 4.9 percent; Lincoln, 4.4 percent; McCook, 4.3 percent; Alliance, 3.4 percent; and Grand Island, 2.9 percent. All the above noted communities had stronger local economies than Nebraska.

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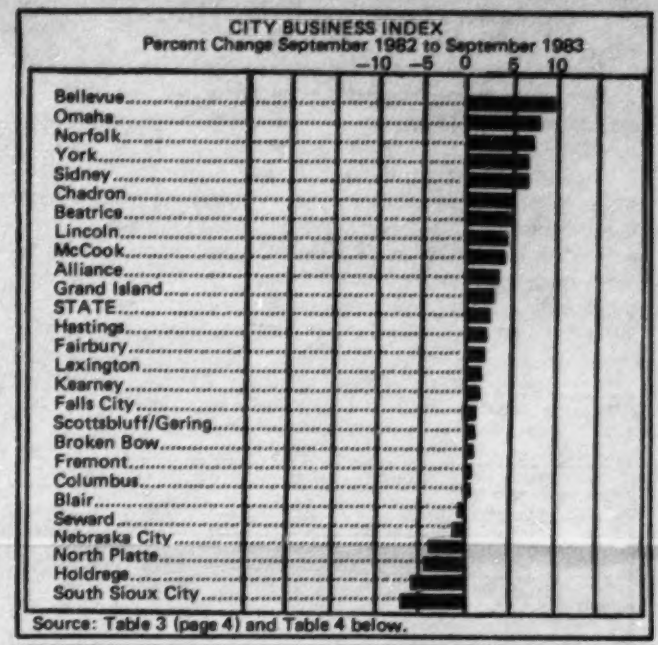

Source: Table 3 (page 4) and Table 4 below.

4. September, 1983 — CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago: Employment[1]	Building Activity[2]	Power Consumption[3]
The State	102.4	118.3	115.3
Alliance	103.4	80.3	103.9
Beatrice	101.2	144.9	122.3
Bellevue	104.3	247.6	150.7
Blair	102.4	176.2	125.0
Broken Bow	99.2	305.5	107.2
Chadron	100.0	289.6	93.9
Columbus	103.0	138.2	104.0
Fairbury	99.2	183.6	106.4
Falls City	98.8	80.4	100.0
Fremont	104.5	82.7	128.9*
Grand Island	105.6	71.5	110.5
Hastings	99.0	106.3	139.7
Holdrege	106.5	97.8	155.9
Kearney	106.0	75.9	120.2
Lexington	105.2	125.4	101.8
Lincoln	100.5	94.6	114.6
McCook	111.2	134.0	110.3
Nebraska City	101.7	24.8	124.0
Norfolk	102.0	273.0	129.5
North Platte	93.2	100.8	120.1
Omaha	104.1	142.5	113.7
Scottsbluff/Gering	102.0	63.9	91.5
Seward	99.1	79.4	104.7
Sidney	103.0	478.5	99.9
So. Sioux City	97.7	74.5	111.1
York	103.8	128.7	104.5

[1] As a proxy for city employment, total employment for the county in which a city is located is used.

[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

5. PRICE INDEXES

September, 1983	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	301.8	102.9	103.2
Commodity component	274.5	103.0	103.0
Wholesale Prices	305.3	102.0	101.1
Agricultural Prices			
United States	249.0	100.0	99.3
Nebraska	252.0	103.3	99.2

*Using arithmetic average of monthly indexes.

Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

TABLE 4
Counties Most and Least Dependent Upon Local Taxes for Education

Over 83.0% From Local Sources		Less than 70.0% From Local Sources	
Arthur	84.1	Dakota	64.5
Boone	83.4	Knox	68.9
Butler	84.0	Sarpy	40.3
Clay	83.8	Scotts Bluff	67.5
Fillmore	84.1	Thurston	49.0
Franklin	84.6		
Frontier	86.2		
Furnas	85.5		
Gosper	83.6		
Grant	84.6		
Hamilton	84.5		
Hayes	84.5		
Jefferson	84.0		
Kearney	85.4		
Kimball	83.4		
Perkins	86.0		
Thayer	86.1		
Valley	83.1		
Wheeler	85.2		
York	83.6		

(continued from page 3)

CHANGE IN STATE AID 1971/72 - 1982/82

During the 1971/72 school year, state aid to education totaled $35 million. By 1981/82 it had increased to $161 million. Aid per pupil was slightly more than $106 in 1971/72, compared with $595 in 1981/82.

The changing distribution of state aid is of interest. Some counties recorded substantial gains, while others failed to gain as much per pupil as the state average. The largest percentage increase occurred in Banner County, where state aid went from $63 per student to $1,027 for an increase of 1,536.0 percent. Cherry County also recorded a substantial increase, as did Deuel, Keya Paha, McPherson, and Thomas counties. Counties that recorded a 50 percent increase in state aid above the state average included Arthur, Blaine, Banner, Cherry, Cuming, Deuel, Fillmore, Garden, Grant, Hooker, Keya Paha, Loup, McPherson, Stanton, and Thomas.

Box Butte recorded the smallest increase in state aid. Aid increased from $108 in 1971/72 to $450 in 1981/82, an increase of 316.0 percent. Counties recording an average increase in state aid per pupil 10 percent (or more) **below** the state average included Adams, Box Butte, Brown, Buffalo, Cedar, Dawes, Furnas, Gage, Hall, Hamilton, Harlan, Howard, Johnson, Kimball, Lancaster, Lincoln, Madison, Merrick, Morrill, Nance, Nemaha, Otoe, Platte, Red Willow, Valley, Wayne, and Webster (Table 5).

TABLE 5
Percentage Change in State Aid to Education per Student 1971/72 and 1981/82

Counties With 1971/72-1981/82 Increases 50% Above State Average		Counties With 1971/72-1981/82 Increases 10% Below State Average	
Arthur	799	Adams	382
Banner	1,536	Box Butte	316
Blaine	851	Brown	355
Cherry	1,070	Buffalo	371
Cuming	724	Cedar	360
Deuel	958	Dawes	395
Fillmore	808	Furnas	391
Garden	857	Gage	384
Grant	746	Hall	373
Hooker	792	Hamilton	403
Keya Paha	1,042	Harlan	378
Loup	853	Howard	348
McPherson	1,227	Johnson	356
Stanton	735	Kimball	411
Thomas	1,130	Lancaster	364
		Lincoln	376
		Madison	471
		Merrick	407
		Morrill	348
		Nance	403
		Nemaha	360
		Otoe	406
		Platte	406
		Red Willow	347
		Valley	400
		Wayne	385
		Webster	437

SUMMARY AND CONCLUSIONS

Funding for elementary and secondary education in Nebraska is predominantly a local matter. Local taxes account for slightly less than 70 percent of elementary and secondary education funding, with approximately one-quarter from the state.

State aid for education per pupil varies widely among Nebraska's 93 counties. Brown County received $400 per student, while Banner received $1,027 in 1981/82. There may be economies of scale in education, since the counties with denser populations frequently had lower per student budgets. Differences in budgets per pupil, however, may also reflect differences in priorities.

D.E.P.

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